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C O N F I D E N T I A L SECTION 01 OF 02 PARIS 002182

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E.O. 12958: DECL: 12/03/2018
TAGS: [ECON](#) [EFIN](#) [PGOV](#) [PREL](#) [WTO](#) [EU](#) [FR](#)
SUBJECT: FRANCE: SARKOZY'S JANUARY COLLOQUIUM

REF: PARIS POINTS (11/06/08)

Classified by Econ M/C Seth Winnick, reasons 1.4 (b), (d) and (e)

¶1. (C) Summary: Eric Besson, the Junior Minister organizing the recently announced January 8-9 Paris Conference (now titled "New World: New Capitalism; Values, Development and Regulation"), dropped by a scheduled Embassy meeting with his staff December 2 to underline that this conference is "not a summit and separate from, but related to" the G-20 process. Besson noted that the G-20 forum is for "taking decisions" and that the upcoming conference will provide "ideas." He noted however that the event will be hosted by President Sarkozy and former Prime Minister Blair and will include a dinner with French PM Fillon and a lunch with FM Kouchner. Besson said that a large number of political leaders, including Chancellor Merkel, plan to attend the event and that the French government would warmly welcome and seeks participation by a "representative" of the new U.S. Administration in the planned conference. In a separate meeting, Elysee Advisor Olivier Colom told EMIN and EconCouns that the meeting was largely conceived by the ex-Socialist Besson as a means of enlisting Tony Blair to tout Besson's version of French "new left" politics. End summary.

¶2. (C) On the timing of the conference, Besson explained that although announced by the Elysee following President Sarkozy's return from the G-20 Summit, and initially referred to in an Elysee announcement as a summit, it should not be seen by Washington "as a trap." Besson stated the planned January conference is a continuation of a dialogue between "leaders and thinkers" launched earlier this year at the Sorbonne, where former UK Prime Minister Blair gave the keynote address. Besson, who comes from the moderate left of French politics, said he helped bring Sarkozy and Blair together, following a discussion Besson had with Blair last year on the need for greater input from "progressives" on key global challenges. Sarkozy later invited Blair to come to Paris to speak on "change" to his UMP political party. Besson indicated he was tapped to organize the January conference because of his role in the French government responsible for "the new economy." Besson stated the early January 2009 dates for the conference, following the end of the French EU Presidency, were the "only dates possible" for Blair and Sarkozy.

¶3. (C) Besson and Frederic Lassagne, a member of his Cabinet, informed us that the one-and-a-half day event will likely be attended by EU Commission President Barroso, EU Commissioner Nellie Kroes, German Chancellor Merkel, Liberian President Johnson-Sirleaf, as well as by Finance Ministers from Indonesia, Singapore, and Ukraine, and possibly IMF Managing Director Strauss-Kahn and WTO Head Lamy. Besson noted that Blair has spoken to UK PM Brown about the conference, who reportedly responded he would either attend or send two of "his best and brightest" Ministers. Outside of government,

individuals such as Joseph Stiglitz, Francis Fukuyama, Armatya Sen, Edmund Phelps, Howard Davis and Jean-Paul Fitousi will also attend. (Lassagne noted "the list keeps growing as we are getting contacted every day about the event.")

¶4. (SBU) The conference, which will take place at the Ecole Militaire in Paris, will consist of three working sessions, each with a roundtable (3-4 person) format. Each session will last around two and half hours and will be chaired by a senior official (Blair will preside over at least one of the round tables.) President Sarkozy will be present at both the opening and closing of the conference. To facilitate interaction between the panelists and the conference participants (450 total, including approximately 100 students from Science Po and the London School of Economics), each panel will tentatively have a moderator provided by the Financial Times. According to Lassagne, the first roundtable will address the issue "Values and Capitalism: Can one/Must one make it more ethical?" The second panel will discuss the topic "Have we overestimated the benefits of Capitalism?" The final round table will discuss "How far can we regulate Capitalism?" State Secretary Besson commented that these themes are designed to "spark debate" and while this event between "leaders and thinkers" is not part of the G-20 process, and its origins predate the global economic crisis, the crisis has given added impetus and importance to the conference.

¶5. (C) In a December 2 meeting Elysee Multilateral Affairs Advisor Olivier Colom gave us a version of the genesis of the conference that largely tracks with Besson's. Colom said the former Socialist Party Economic Affairs Director Besson had a "fascination" for Blair, and hoped the latter could inspire change in the French left. The Elysee had given Besson some line on the conference idea, as much for domestic political calculations and President Sarkozy's continued

PARIS 00002182 002 OF 002

cooption of the left, as for any international objectives. But the project had turned into a PR "nightmare" when the political side of the Elysee had issued a press release touting the get-together as a "Summit." Colom insisted the idea was not related to the G-20, and in no way implied that France was unhappy with the Washington G20 Summit outcome. He did say, though, that "European political leaders" would participate and that, as word has spread, leaders from emerging economies were expressing interest in joining.

¶6. (C) Comment: Besson's "drop-by" of what was a working-level discussion clearly was designed to convey a message that the French government is aware of potential U.S. concerns and wants to reassure Washington. His description fits the mold of conferences long on "deep think" and short on concrete results that are popular here. The convergence of Besson's and Colom's accounts lends credence to the notion that this event was as much about domestic politics as international policy. Still, the timing of the conference for January, when President Sarkozy will have just relinquished the EU Presidency, almost certainly was designed to signal his intention to continue shaping the agenda on financial crisis issues. And while the event may have taken on a life beyond what Elysee handlers had initially intended, Sarkozy will be only too happy to use the stage to continue his rhetorical broadsides on taming markets and "refounding" capitalism. It will be important to remember, though, that a good bit of this will be for domestic consumption.

Stapleton